

TELEGRAPHY BETWEEN ENGLAND AND AUSTRALIA.

CANADIAN OFFICES, 17, VICTORIA STREET,

LONDON, S.W., *July 18th, 1890.*

TO AUSTRALIANS AND NEW ZEALANDERS.

FELLOW COLONISTS,

I beg leave to address you on a subject of more than ordinary importance at the present moment, when your Colonies are completely cut off telegraphically from the rest of the world.

The accompanying correspondence with Lord Knutsford refers to the traffic-revenue guarantee, proposed to be given to the Eastern and Eastern Extension Telegraph Companies. I have the best authority for stating that my letter of June 26th, fairly expresses the Canadian view of the case.

While the reply of the Secretary of State indicates that the Home Government declines to join in the guarantee, there is, as I am informed, some probability that the Australian Governments may, under force of circumstances, accept the terms offered by the existing Telegraph Companies. I venture therefore as a fellow Colonist to point out that by co-operating with Canada a much more advantageous arrangement can be effected.

The proposed guarantee to the Eastern and Eastern Extension Telegraph Companies, it is estimated by the representatives of these companies, would add to the liabilities of the Australasian Colonies, £54,000 more or less per annum.

The length of cable to reach across the Pacific from Canada to New Zealand and Australia, allowing 20 per cent. for slack, is estimated by competent authorities at 8,900 miles. A cable of the very best type can be laid over this distance for less than £1,750,000; it is perfectly safe therefore to take the outside cost in round figures at £1,800,000.

I have elsewhere given good reasons why this cable should be a public undertaking, owned by the Governments, worked and managed under a Government Superintendent.

If so established, the whole capital, under a joint Government guarantee, could be raised at about 3 per cent., and would involve an annual charge of £54,000.

I have elsewhere given indisputable evidence that telegraph messages may be sent between England and Australasia by the Canadian route at less than one-quarter the present rates.

I need scarcely ask which course should be followed. The question is should a monopoly of telegraph business be built up in the hands of the existing Companies, or is it in the public interest to establish an independent line, owned by the public, and under Government control? The one course would reduce the cost of telegraph messages to one-half the present rates, and add a liability to the Australian Colonies estimated at £54,000 per annum. The second course would reduce the cost of messages to one-quarter the present rates, and involve no heavier annual charges, while the £54,000 guarantee would be shared by Canada, and, I trust I may add, by the mother country. Moreover, the cable would be owned by the contributing Governments, and the profits would accrue to reduce, perhaps eventually extinguish, the interest charges. This is merely the financial view of the question; its momentous political aspect is dealt with in my letter to Lord Knutsford (appended), and in other documents submitted to Her Majesty's Government.

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The Admiralty has had in hand the work of sounding the new route since the beginning of 1888, so that there can be nothing to prevent the survey being completed during the manufacture of the cable, and the whole laid within two years.

At this moment, when the existing cables are broken down in three places, I feel it a public duty to submit the case as it now stands for your earnest consideration. I humbly think I have shown how you may speedily on easy terms obtain cheap telegraphy and the incalculable advantages of an alternative line by the Canadian route.

I have the honour to be,

Your obedient Servant,

SANDFORD FLEMING.

CORRESPONDENCE.

Letter from SANDFORD FLEMING to LORD KNUTSFORD.

HOTEL VICTORIA, NORTHUMBERLAND AVENUE,

LONDON, W.C., June 26th, 1890.

The Right Honourable LORD KNUTSFORD,

Secretary of State for the Colonies.

My LORD,

I feel constrained to address you on a subject which concerns Canada not less than other great divisions of the Empire.

When I left Ottawa two weeks ago, the matter to which I desire to refer had not been noticed in any quarter on the other side of the Atlantic. My attention has been directed since my arrival here to communications in newspapers of recent date, and more particularly to an article in the *Times* of the 20th instant, on the subject of telegraphy between Great Britain and Australasia.

If I understand the proposal which has been made, it is that the charges for telegraphing should be reduced to about one-half the present rates, on condition that the Imperial and Australian Governments join in guaranteeing a certain revenue to the Eastern and Eastern Extension Telegraph Companies; which guarantee would involve a liability estimated by the representatives of these companies at £54,000, more or less, per annum. To put the proposal in other words, the Governments are asked, as I understand it, to assume the responsibility of supporting and maintaining the monopoly of the present line of telegraph for a period of ten years.

The proposal is not new. It was made by the same Companies in a slightly modified form (the principle being the same) three years ago, but it was not then seriously entertained. My surprise is that it should again be renewed, and I feel it a public duty to point out the consequences which will result should the proposal be accepted.

To enable me to do so it is necessary that I should refer to the proceedings of the Colonial Conference of 1887, at which I had the honor to be one of the representatives of the Dominion.

At this Conference an obligation rested upon the Canadian Delegates to explain the position of Canada in relation to the telegraphic communications of the Empire, and it was acknowledged by nearly every member of the Conference, that it would not be possible to overlook the undertakings and the peculiar geographical situation of the Dominion, in considering the telegraphic relations of England and Australia, and in dealing with Imperial communications as a whole.

So much importance was attached to the subject, that after the proposal of the Telegraph Companies was submitted and every argument in its support advanced by their most able advocate and representative Sir John Pender, the Conference formally adopted two resolutions in favour of the Canadian route, and I desire to emphasise the fact that no propositions brought before the Conference were assented to more cordially or with greater unanimity.

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These resolutions read as follows:--

- 1st. "That the connection recently formed through Canada from the Atlantic to the Pacific by railway and telegraph opens a new alternative line of Imperial communication over the high seas, and through British possessions, which promises to be of great value alike in naval, military, commercial, and political aspects."
- 2nd. "That the connection of Canada with Australia by direct submarine telegraph across the Pacific is a project of high importance to the empire, and every doubt as to its practicability should, without delay, be set at rest by a thorough and exhaustive survey."

The explanations and discussions of which these resolutions were the outcome, set forth in ample detail that the true way to permanently reduce the charges in telegraphy between Great Britain and Australia is to utilise the Canadian route, and establish a new cable across the Pacific from the western coast of the Dominion. It was likewise shown that by this alternative route the electric cable would be laid in deep water, and the telegraph would pass through countries under the British flag, and in consequence would in every respect be safer from injury than the existing line, and more permanently serviceable in peace or war.

The representations of the Conference were considered of so much importance that the Admiralty commenced a survey of the new route, and up to the present time has, as far as I am aware, discovered no difficulties in the way. Possession has also been taken by Great Britain of a number of islands in the Pacific, for the purpose of establishing mid-ocean stations.

Recognising that negotiations were necessary in order to reach a common understanding, the Government of Canada two years ago invited the Governments of Australia and New Zealand to send delegates to Canada to consider the whole question of telegraphic and trade relations, and arrange terms. Correspondence resulted, involving delay, and it was finally agreed that delegates should be sent from Canada to Australia. Accordingly, the Canadian Government appointed delegates last year, but the proposed federation of the Australian Colonies postponed their visit under the conviction that more effective action would be attainable after federation became accomplished. The unfortunate delay proceeds from causes, some of which exhibit the extreme desirability of having closer connection by a direct cable across the Pacific. I believe I am correct in stating that the Canadian Government only awaits the proper moment again to commission delegates to proceed on the same mission.

Under these circumstances it certainly would be a retrograde step to adopt the proposal of the Eastern and Eastern Extension Telegraph Companies. Its adoption would practically put an end to any prospect of connecting Canada and Australia telegraphically for ten years to come, possibly for a much longer period. Admitting all that can be said in favour of reducing telegraph charges, admitting that they cannot be reduced a moment too soon, would it be wise to prevent the establishment of an alternative line, which, to a greater extent than by any other means, would have the effect of reducing these charges? If time be an element of importance, is not the true policy to accelerate the survey undertaken by the Admiralty, and make arrangements for establishing the new line with the least possible delay? It is obvious that the acceptance of the proposal of the existing Telegraph Companies would prove a serious blow to Colonial development and commercial expansion on the waters of the Pacific. It cannot be accepted without completely ignoring the commanding position of the Dominion, and disregarding all that Canadian enterprise has done to make that position commanding. Would this be wise? Is it expedient? Are there not Imperial interests of the first magnitude involved in the question?

In 1886 Her Majesty's Government advised the Queen to summons a Conference for the discussion of questions of general importance to the whole Empire. The Colonial Minister in calling the Conference specially alluded to the development of Imperial telegraphic communications, and gave expression to the opinion that "they should be considered as a whole, in order that the needs of every part of the Empire may, as far as practicable, be provided for, and that suggestions may be obtained from all quarters as to the best means of establishing a complete system of communication without that increased expenditure which necessarily results from isolated action."

The joint deliberation of Delegates from all parts of Her Majesty's Empire, and the formal submission of their deliberate opinion under the circumstances of their appointment, and in view of the objects for which they were called together, should carry with it due weight.

The reduction of telegraph charges is most important, but there are other momentous considerations, and while it has been indisputably shown that the new line will be able to do its work at far lower rates than is possible by the old line, most important advantages of another kind can justly be claimed for it. It will secure to the mother country a second and more direct means of reaching Australia, incidentally

affording the much-needed connection with Fiji and other outlying dependencies. It will indirectly give a new means of communication with India, should the lines through Europe and the Red Sea become through war or other causes unusable. The new line will create common interests between Australians and Canadians; it will bring closer together the great outlying divisions of the Empire; it will play an important part in fostering British commerce and upholding the British flag on the Pacific. I humbly think that the £54,000 per annum, or whatever sum may be required to carry out the proposal now before the Government, would more advantageously be expended on the establishment of a new cable across the Pacific from Canada to Australia. Canada has always been prepared to contribute her full proportion of expenditure on works of an imperial character. If she has expended fifty millions of pounds sterling in building a great national highway from the Atlantic to the Pacific, who can doubt that she will be ready to do her share in establishing a new telegraph from her western coast to Australia. Is the opinion of the Colonial Conference, unanimously expressed, to be unheeded? Is it expedient that Canada and the Canadian route should be wholly ignored? Is it desirable that any course should be followed which will debar the Canadian Dominion from co-operating with her sister Colonies and with the Mother Country in a matter in which they each have a common interest? I venture to think that aid in the way proposed to the existing companies would be fatal to any Pacific telegraph; it would essentially be a step backwards, and could lead to no permanent good, while the same outlay expended in another direction would result in incalculable advantages. I speak advisedly, and with a thorough knowledge of what I speak, when I say that the sum of £54,000 per annum from the Australian and Imperial Governments, added to the assistance which may reasonably be expected from Canada and from other sources, would insure the completion of telegraphic communication between Great Britain and Australia by the Canadian route, and would realise the fulfilment of a national idea pregnant with lasting advantages to the great and growing communities under the one flag on the three continents. It would secure the completion of an alternative line of communication—British throughout—to multiply and strengthen the ties which bind the Empire together.

I trust I may be pardoned for presenting the subject as it strikes a Canadian. However ungracious the task, I am impelled by a sense of duty to seek the earliest opportunity earnestly to point out that in my humble judgment it would be an error of grave magnitude, equally in the interests of the Mother Country, Australia, and Canada, to give effect to the proposal now under the consideration of the Government.

I have the honour to be,

My Lord,

Your obedient servant,

SANDFORD FLEMING.

Letter from COLONIAL OFFICE to MR. SANDFORD FLEMING, C.M.G.

DOWNING STREET,

7th July, 1890.

SIR,

I am directed by Lord Knutsford to acknowledge the receipt of your letter of the 20th ultimo, in which you draw attention to the evils which you consider would accrue if Her Majesty's Government should entertain the proposal to join the Australian Colonies in sharing the payment of the present cable subsidy, and in a guarantee to the Eastern and Eastern Extension Telegraph Companies, in consideration of the reduction in the telegraph rates.

In thanking you for your observations, which have been laid before the Lords Commissioners of the Treasury, I am desired to refer you to the answer given by Mr. Jackson to Sir G. Baden-Powell in the House of Commons on the 12th ultimo, in connection with this proposal.

I am, Sir,

Your obedient Servant,

JOHN BRAMSTON.

NOTE.

On June 12th, in the House of Commons, Mr. Jackson, in reply to Sir G. Baden-Powell, intimated that Her Majesty's Government had not been able to accede to the proposal to join the Australian Government in the proposed guarantee to the existing Telegraph Company. On the 17th, Mr. Goschen further discussed the question with the Agents-General, and promised that the matter would be fully reconsidered, and a definitive reply given. The above letter of July 7th, from the Colonial Office, goes to show that Her Majesty's Government remains in the position indicated by Mr. Jackson on June 12th.